



**INTEGRATED
COMPANIES**

FOUNDATIONS OF A SAFETY PROGRAM

AGC CE CLASS

PRESENTED BY BRETT THOMPSON

TODAY'S AGENDA



Find and track a financial return on your safety investment



Elevate your safety program to increase your return



Make your safety program part of your culture



TODAY'S CLASS WILL NOT



BE A SCARY STORY
COMPETITION



TEACH IRRELEVANT
DETAILS



SHOW HOW WELL I
CAN READ MY
SLIDES



GO OVER TIME



**Simplicity
is the ultimate
sophistication.**

- Leonardo da Vinci



All good
structures
have a strong
FOUNDATION

it's just physics.



PREVENTION AND SAFETY PRINCIPLES

Fund It



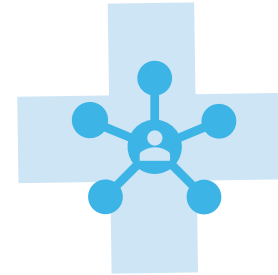
SAFETY BUDGET

Build It



ACQUIRE SAFETY
ASSETS

Share It



CONSISTENT
COMMUNICATION



STEP #1 SET AN INTENTIONAL SAFETY BUDGET

"Start where you are.
Use what you have.
Do what you can."

ARTHUR ASHE





Meet ROSI

Return On Safety Investment
(Powerfully Simple Safety Metric)

- Everything in your life runs smoother
- Doesn't require much attention
- Gets stuff done without any drama

HARD TO FIND



WHERE'S ROSI?

- Safety is hard to notice
- Safety is hard to quantify
- Safety is not very attractive



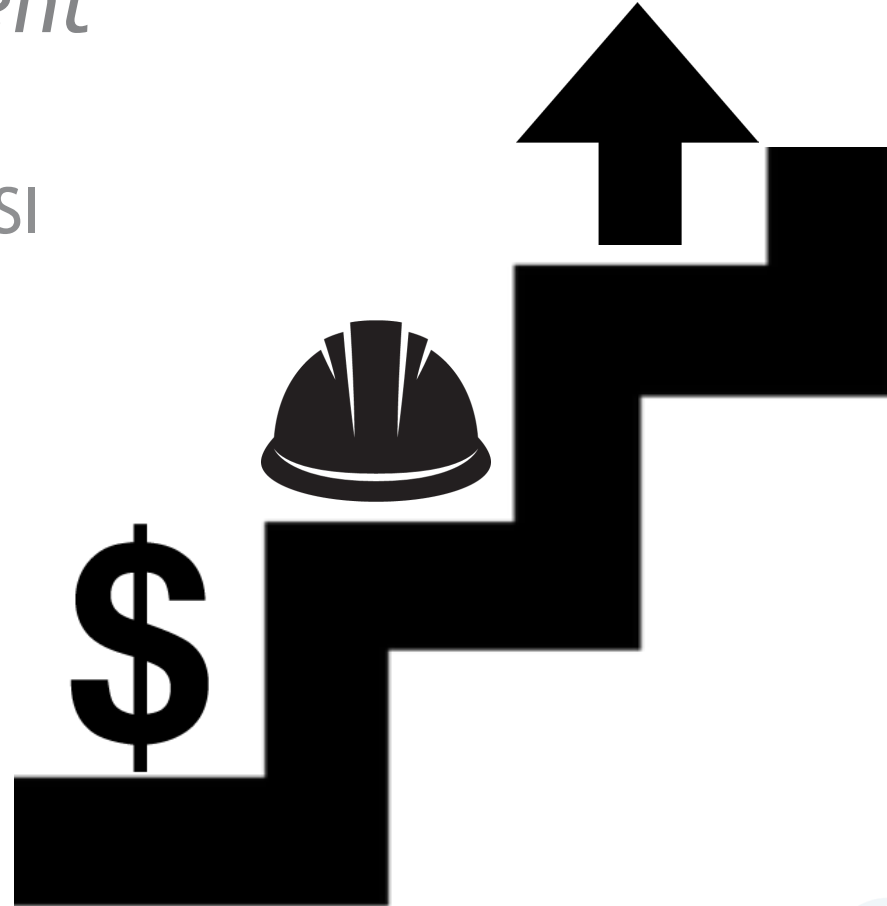
RETURN ON SAFETY INVESTMENT (ROSI)

$$\text{Return} = \text{Savings} / \text{Investment}$$
$$(R = S / I)$$

Step #1 - How to find and track ROSI

Step #2 - How to increase ROSI

Step #3 - How to make ROSI a valuable part of your culture



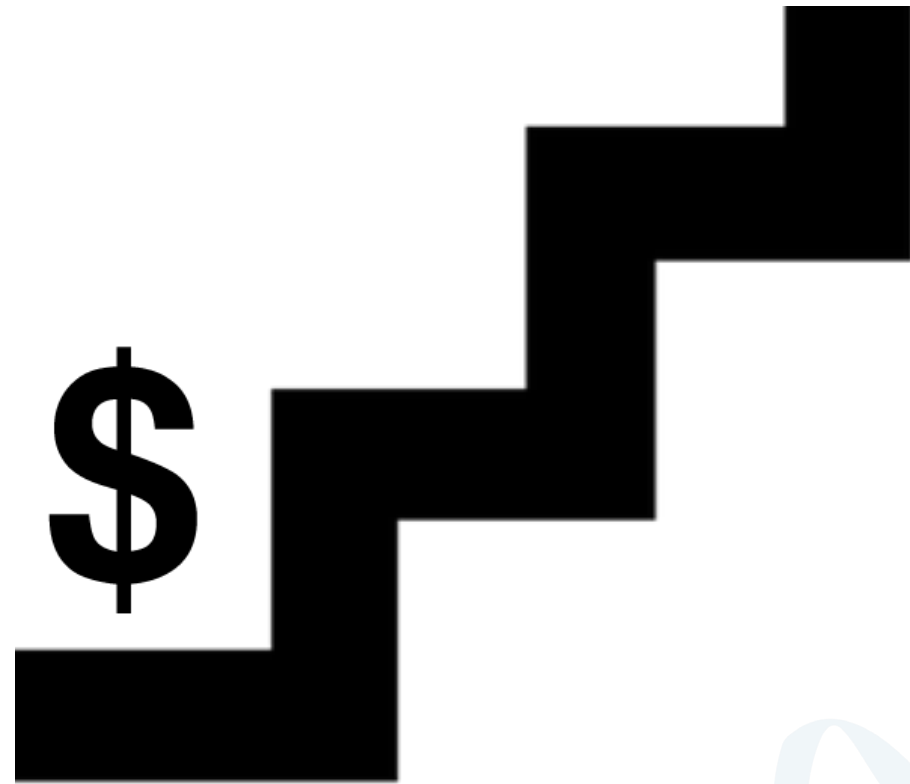
3 SIMPLE STEPS TO FIND ROSI

$$(R = S / I)$$

#1 - SET A SAFETY BUDGET

2 different methods to set your budget:

- Build your program
- Maintain your program



HOW DO YOU KNOW?



- Workers Compensation Experience Modification Factor (E-MOD)

State	Wt	Exp Excess Losses	Expected Losses	Exp Prim Losses	Act Exc Losses	Ballast	Act Inc Losses	Act Prim Losses
UT	.06	4,262	7,901	3,639	0	14,250	11,459	11,459
(A) Wt	(B)	(C) Exp Excess Losses (D-E)	(D) Expected Losses	(E) Exp Prim Losses	(F) Act Exc Losses (H-I)	(G) Ballast	(H) Act Inc Losses	(I) Act Prim Losses
.06		4,262	7,901	3,639	0	14,250	11,459	11,459
	Primary Losses	Stabilizing Value	Ratable Excess	Totals				
Actual	(I) 11,459	$C * (1 - A) + G$ 18,256	$(A) * (F)$ 0	(J) 29,715				
Expected	(E) 3,639	$C * (1 - A) + G$ 18,256	$(A) * (C)$ 256	(K) 22,151				
	ARAP	FLARAP	SARAP	MAARAP	Exp Mod			
Factors					(J) / (K) 1.34			

BUILDING YOUR SAFETY PROGRAM

If your E-Mod is OVER 1 you are paying more for your workers comp then your average competition.

<u>Classifications</u>	<u>Code No.</u>	<u>Premium Basis Total Estimated Annual Remuneration</u>	<u>Rates Per \$100 of Remuneration</u>	<u>Net Rate</u>	<u>Estimated Annual Premium</u>
STATE: Utah 03/01/2020 to 03/01/2021 at 12:01am					
STORAGE WAREHOUSE-FURNITURE & DRIVERS	8293	170,819	6.85	8.63	\$11,701
CLERICAL OFFICE EMPLOYEES NOC	8810	69,203	0.12	0.15	\$83
TOTAL MANUAL PREMIUM					\$11,784
EMPLOYERS LIABILITY 100/500/100	9800	11,784	0.00%		\$11,784
EXPERIENCE MODIFICATION	9898	11,784	1.34		\$15,791

Safety Waste: \$4,007



MAINTAINING YOUR SAFETY PROGRAM

If your E-Mod is UNDER 1 you are paying less for your workers comp then your average competition.

<u>Classifications</u>	<u>Code No.</u>	<u>Premium Basis Total Estimated Annual Remuneration</u>	<u>Rates Per \$100 of Remuneration</u>	<u>Net Rate</u>	<u>Estimated Annual Premium</u>
STATE: Utah 04/06/2020 to 04/06/2021 at 12:01am					
CARPENTRY- CONSTRUCTION OF RESIDENTIAL DWELLINGS NOT EXCEEDING THREE S TORIES IN HEIGHT	5645	150,000	10.88	8.85	\$16,320
CLERICAL OFFICE EMPLOYEES NOC	8810	0	0.11	0.09	\$0
TOTAL MANUAL PREMIUM					\$16,320
EMPLOYERS LIABILITY 100/500/100	9800	16,320	0.00%		\$16,320
EXPERIENCE MODIFICATION	9898	16,320	0.86		\$14,035

Safety Savings: \$2,285

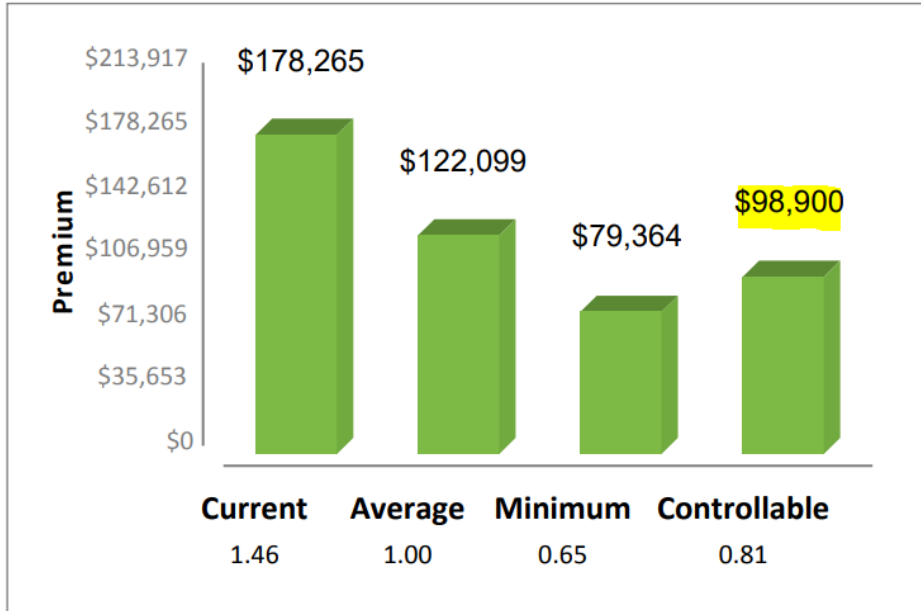


A STEP FURTHER: WHAT IS UNDER YOUR CONTROL?

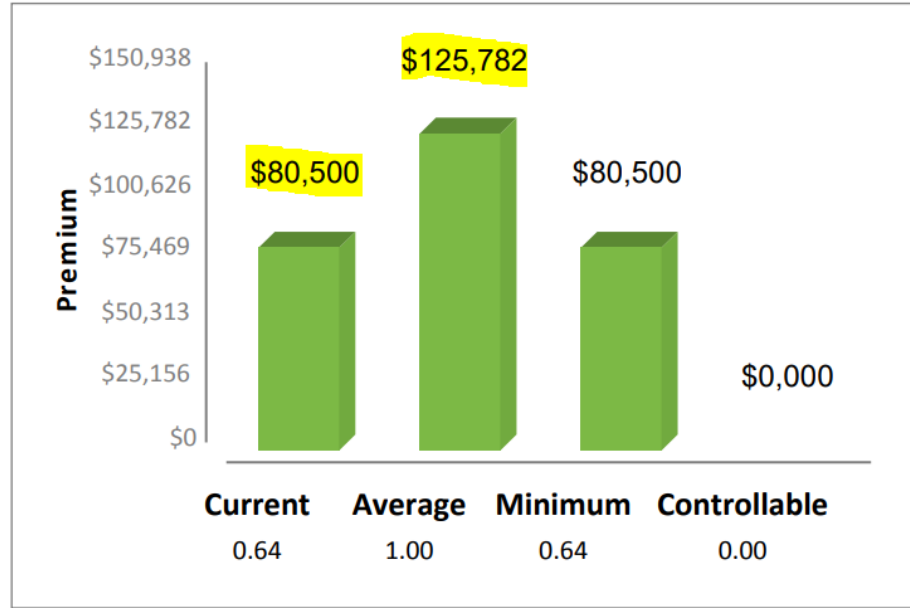
2019

2022

Mod Breakdown



Mod Breakdown



YOUR SAFETY BUDGET (BUILD)

- 20% of **Controllable cost** should be allocated as a safety budget

\$98,900

X 20%

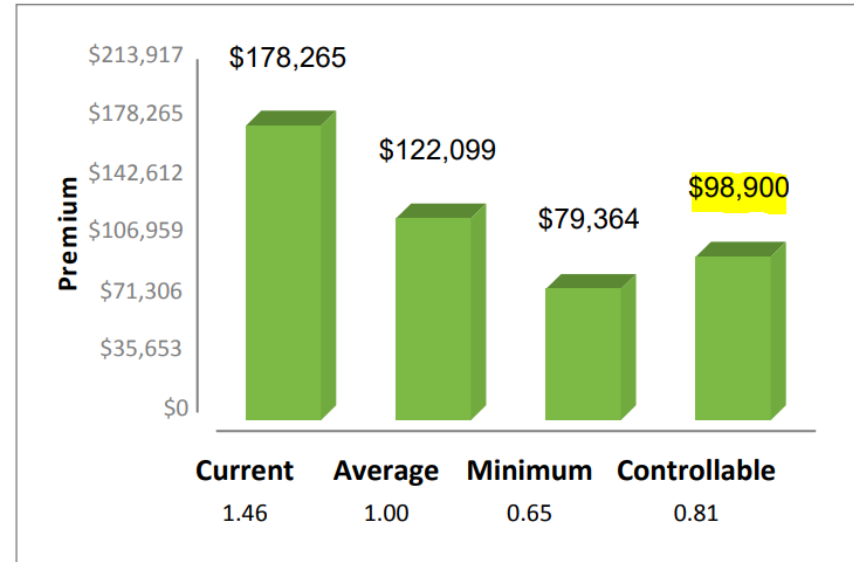
\$19,780

Controllable Cost

Budget %

Annual Safety Budget

Mod Breakdown



GET 5X RETURN

$$(R = S / I)$$

2019 - Invest \$19,780 (I)

2022 - Savings compared to previous costs
Approx. \$98,900 (S)

$R = \$98,900(S) / \$19,780(I) = 5$ X Return on Safety Investment

NO BRAINER!



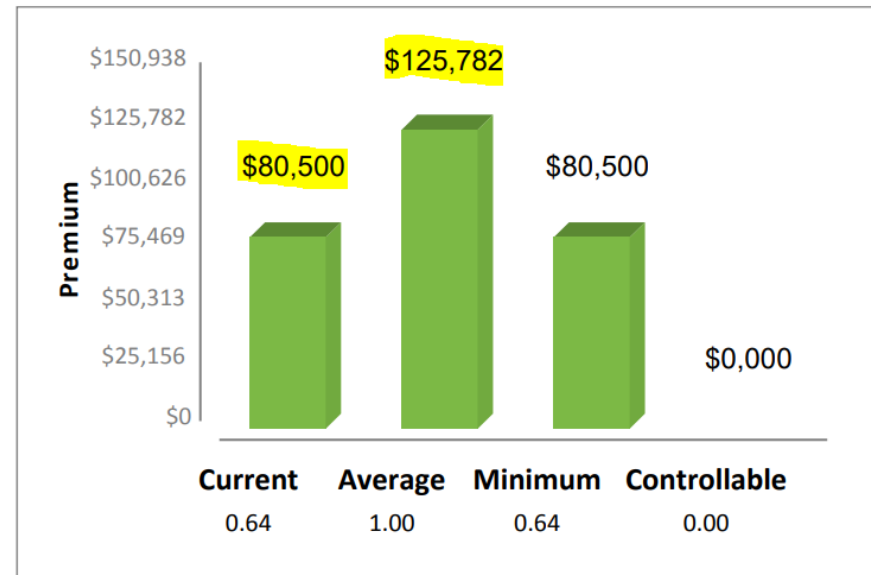
YOUR SAFETY BUDGET (MAINTANANCE)

20% of **Safety Savings** should be allocated as a safety budget

\$125,782
- \$80,500
<hr/>
\$45,282
X 20%
<hr/>
\$9,056

Average Premium
Current Premium
Safety Savings
Budget %
Annual Safety Budget

Mod Breakdown



GOING FORWARD

$$(R = S / I)$$

2022 - Invest \$9,056 (I)

2023 - Saving Compared to Competition -
Approx. \$45,282 (S)

$$R = \$45,282(S) / \$9,056(I) = 5 \text{ X Return on Safety Investment}$$



OPTIMAL SAFETY BUDGET CALCULATOR

- Find your worker's comp declarations page
- Insert your numbers into A, B & C from your policy
- Calculate your Optimal Safety Budget for Building or Maintaining
- Use your best judgement

OPTIMAL SAFETY BUDGET CALCULATOR

Use your workers compensation policy declarations page to find your optimal Safety Budget.

EXAMPLE ➤

Classifications	Code No.	Premium Basis Total Estimated Annual Remuneration	Rates Per \$100 Remuneration	Estimated Annual Premium
State: Utah 03/01/2020 to 03/01/2021 at 12:01 am				
STORAGE WAREHOUSE-FURNITURE & DRIVERS	8293	\$170,819.00	6.85	\$11,701.00
CLERICAL OFFICE EMPLOYEES NOC	8810	\$69,203.00	0.12	\$83.00
TOTAL MANUAL PREMIUM				B \$11,784.00
EMPLOYERS LIABILITY 100/500/100	9800	\$11,784.00	0.00%	\$11,784.00
EXPERIENCE MODIFICATION	9898	\$11,784.00	A 1.34	C \$15,791.00

Input the Experience Modification(A) Manual Premium(B) and Estimated Annual Premium(C) from your policy

A Experience Modification	1.34
B times Manual Premium	\$11,784.00
C Equals =	\$15,791.00
D-Subtract B - C =	-\$4007.00

If D is (-)negative or (0)zero, continue to Letter E. If D is (+)positive, skip to letter I

BUILDING YOUR SAFETY PROGRAM ➤

E If D is a (-)negative number, Input Here(eliminate the (-)negative)	\$ 4007.00
F Multiply Manual Premium(B) X 30%	\$11,784 X 30% = \$ 3,535.20
G Add E + F =	\$ 7,542.20
H Next Year's Safety Budget Multiply (G) by 20%	\$ 1508.44

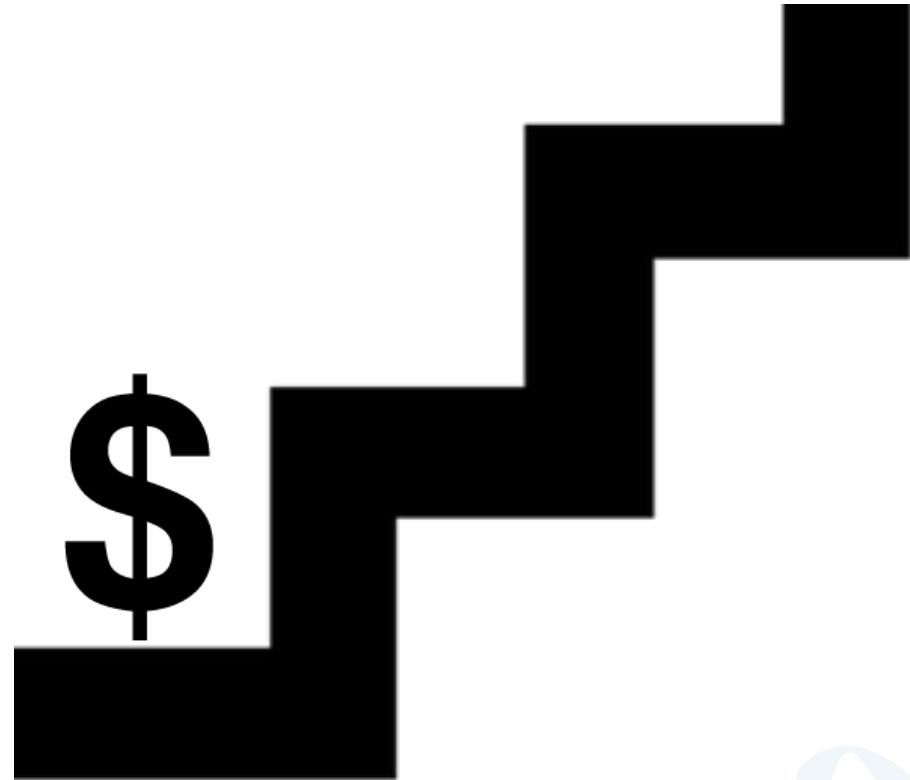
MAINTAINING YOUR SAFETY BUDGET ➤

I SAFETY SAVINGS: If D is a (+)positive number, Input Here	
J Next Year's Safety Budget Multiply (I) by 20%	

SAFETY TRAINING WORKBOOK

SIMPLE STEP #1: YOUR SAFETY BUDGET

- Holds everyone accountable
 - Increases as losses go up
 - Decreases as losses come down
- Eliminates the human problems
 - Hard to quantify
 - Hard to notice
 - Not very attractive
- Gives you something to work with



3 QUESTION POLL

1. Scan code with phone camera
2. Answer honestly
3. We will contact you **ONLY** if
You check a box at the bottom of
the form.



SCAN ME



POLL QUESTION # 1

For my Association member benefit, I prefer...



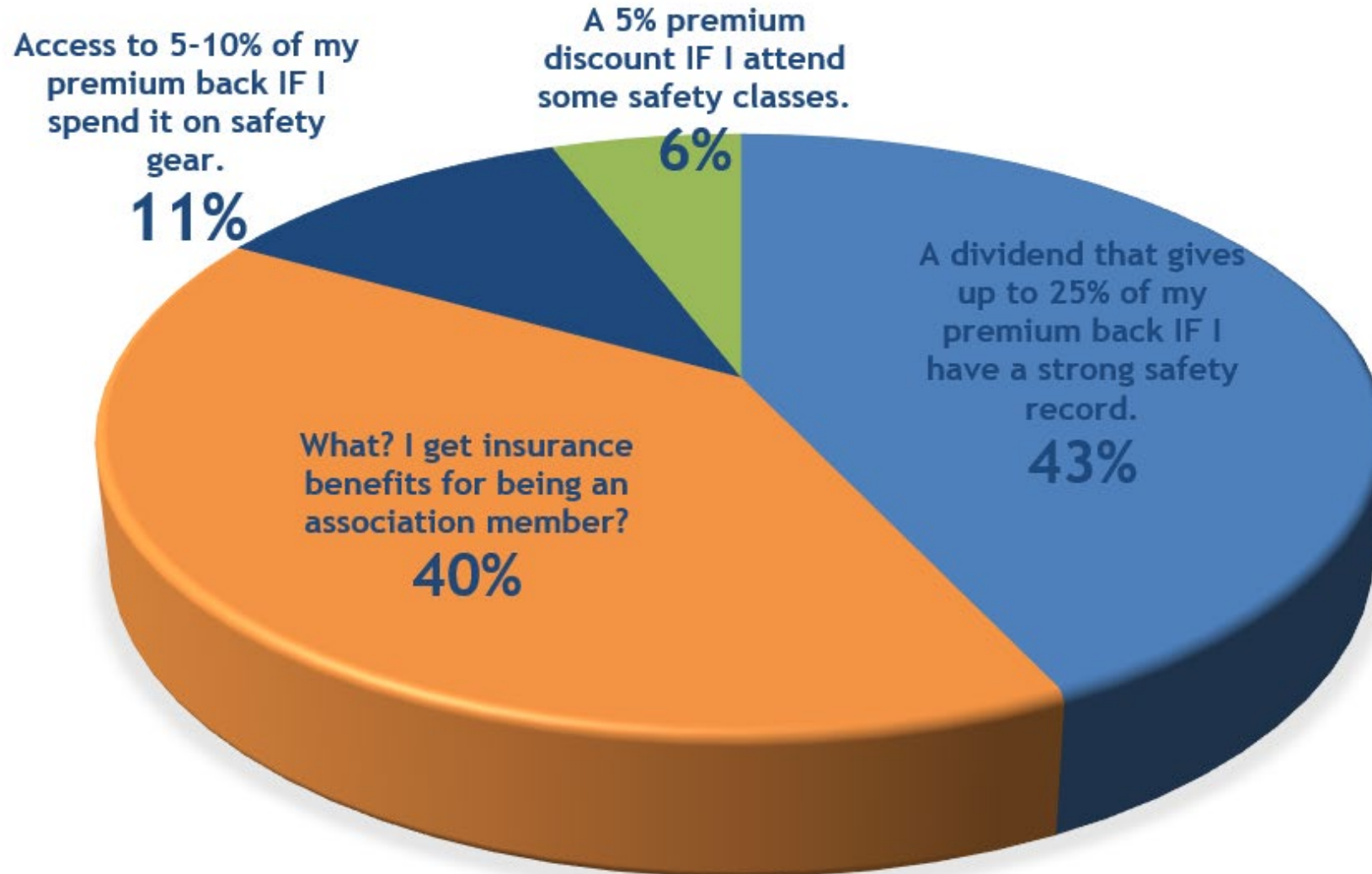
SCAN ME

- A 5% premium discount IF I attend some safety classes.
- Access to 5-10% of my premium IF I spend it on safety assets.
- A dividend that gives up to 25% of my premium back IF I have a strong safety record.
- What? I get a benefit from insurance companies for being part of the association?



2023 POLL RESULTS

For my Association member benefit, I prefer...



WHAT DO YOU DO WITH THE MONEY?



SIMPLE STEP #2 - ACQUIRE SAFETY ASSETS

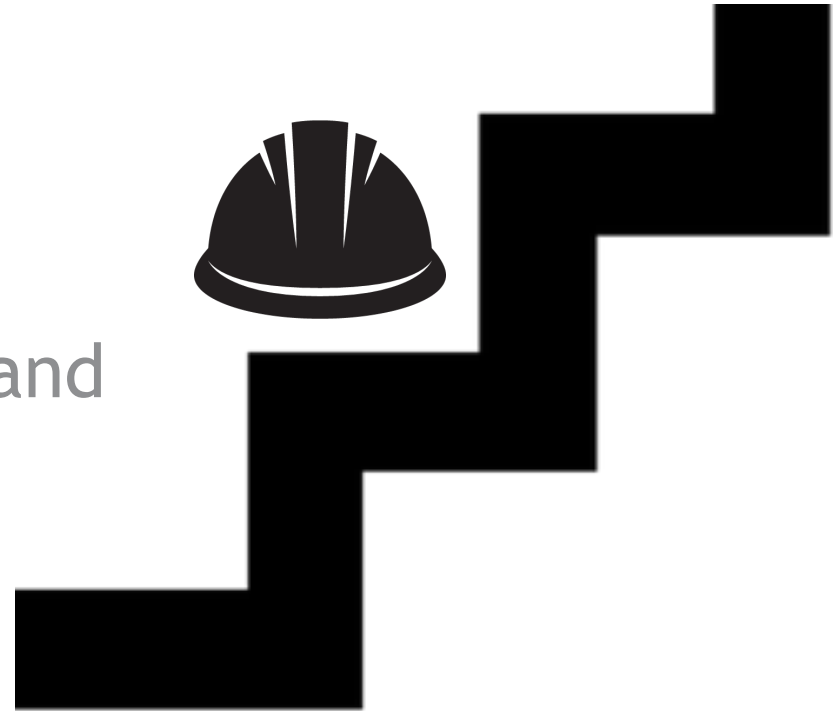


YOU (AND YOUR PEOPLE) KNOW BEST

$$(R = S \times I)$$

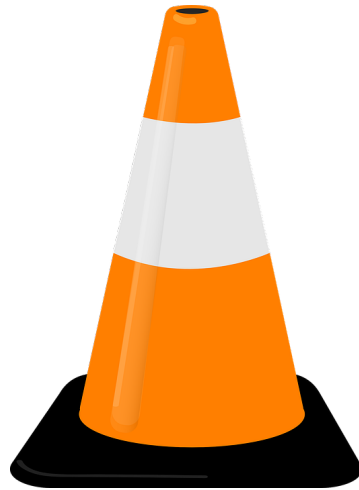
3 Simple Steps to finding the most impactful needs

- 1-Ask your people
- 2-Gather “Near-Miss” reports and claims history analysis
- 3-Build Priority List



ASK YOUR PEOPLE

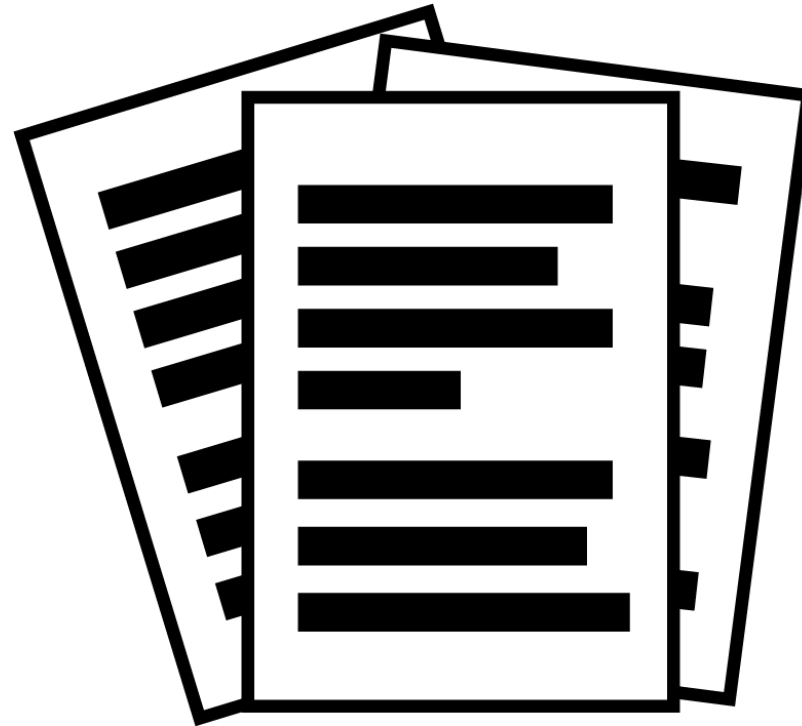
- What tools or equipment would make your job safer?
- What tools or equipment would make the risky parts of your job unnecessary?
- What tools or equipment would make the hardest parts of your job easier?



GATHER NEAR MISS REPORTS (INCIDENT REPORT)

A Near Miss is any event or circumstance that stops or slows regular production that could have resulted in an injury.

- I.e. an employee falls from a ladder but doesn't get injured



ANALYZE LOSS HISTORY

- Your agent can provide this report and help you review all losses to look for patterns and trends.



SIMPLE STEP #2 - ACQUIRE SAFETY ASSETS

Don't forget to ask:

- Your People
- Your Agent



POLL QUESTION # 2

I utilize insurance company safety resources...



- At Least Monthly
- A Few Times Per Year
- Never
- What? Insurance Companies Offer Safety Resources?

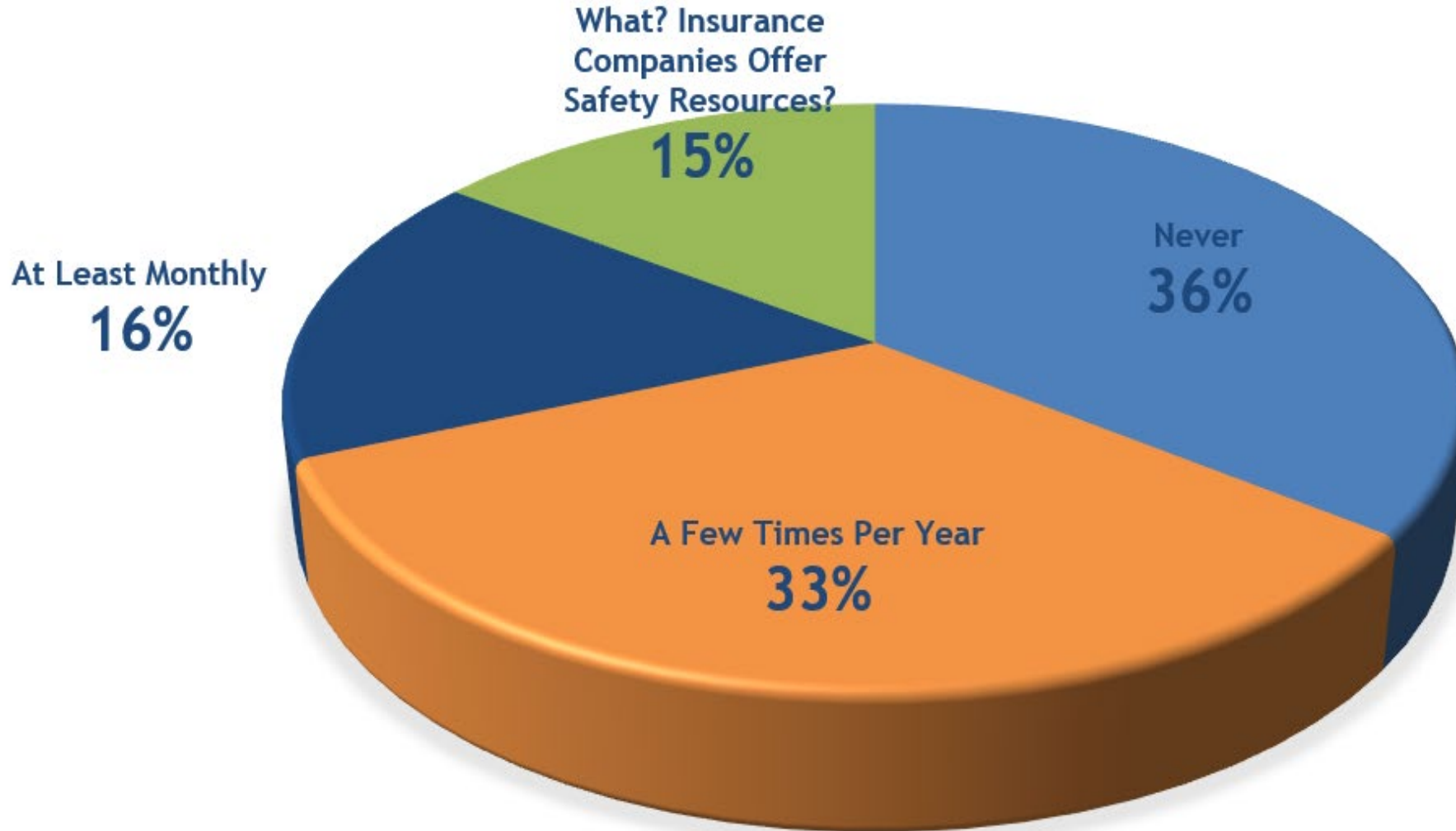
SCAN ME



2023 POLL RESULTS

I utilize insurance company safety resources...

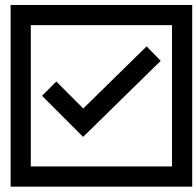
What? Insurance
Companies Offer
Safety Resources?



In a world
full of OSHA violations...

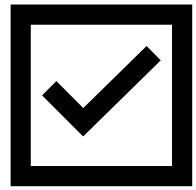


QUESTION OF THE DAY



Genius

or



Stupid?



WHAT IS THE REAL COST OF

STUPID MONEY?



SIMPLE STEP #3 - CONSISTENT COMMUNICATION

**YOUR CULTURE
IS YOUR BRAND**

- TONY HSIEH



CONSISTENT COMMUNICATION OPTIONS



Weekly toolbox talks



Safety training videos on phone(Tyfoom)



Banners, signs, stickers, etc at office, yard, vehicle, jobsite



Safety Checklists



Payroll stuffers



Apparel



OTHER RESOURCES YOU HAVE AVAILABLE

EXAMPLES:

AGC Safety Committee

<https://www.agc-utah.org/safety>

WCF Safety Resources (5% discount for AGC Members)

<https://www.wcf.com/safety>

<https://www.wcf.com/be-careful-out-there-safety-grant>

Tyfoom App (10% discount for AGC Members)

<http://www.tyfoom.com/tyfoom-safety-training/>

YOUR INSURANCE AGENT!



KEEP IT SIMPLE

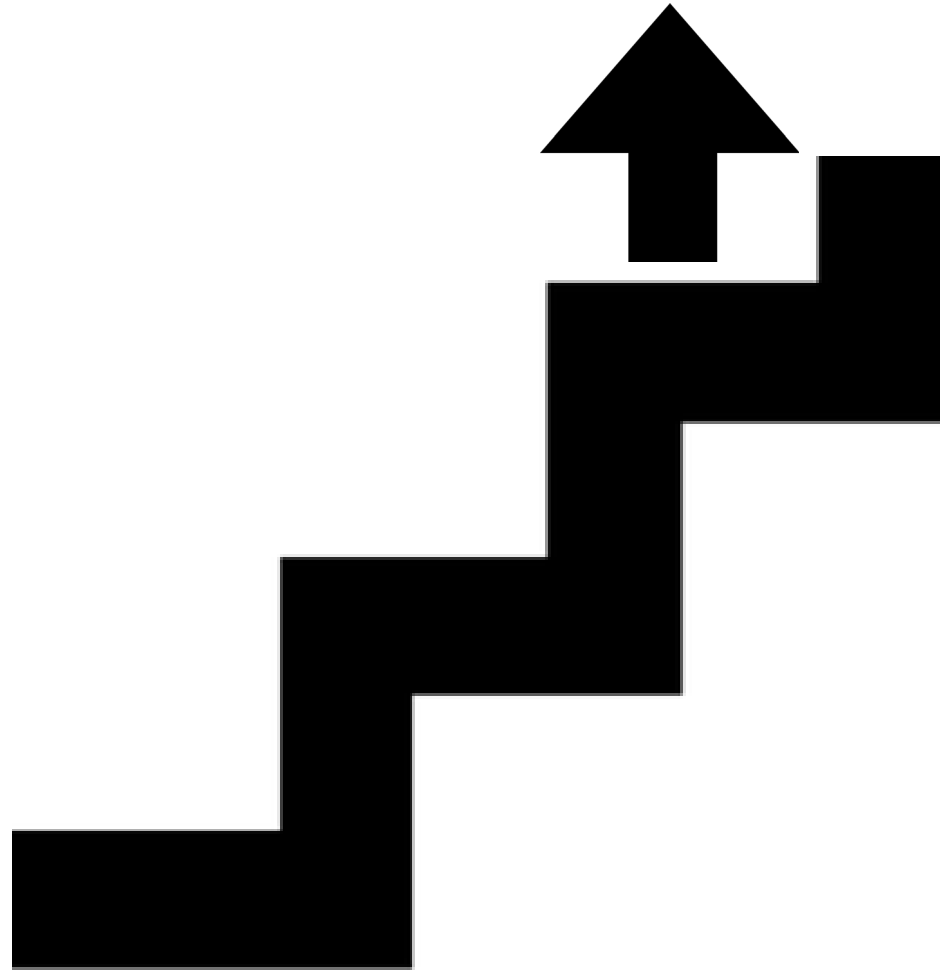
This communication works best when it's just a simple reminder to:

- Be Safe
- Be Careful
- Be Smart
- We care about you and your family



SIMPLE STEP #3 - CONSISTENT COMMUNICATION

- Set up the system
- Use your agent
- Keep it simple



POLL QUESTION # 3

I discuss safety on the job site...



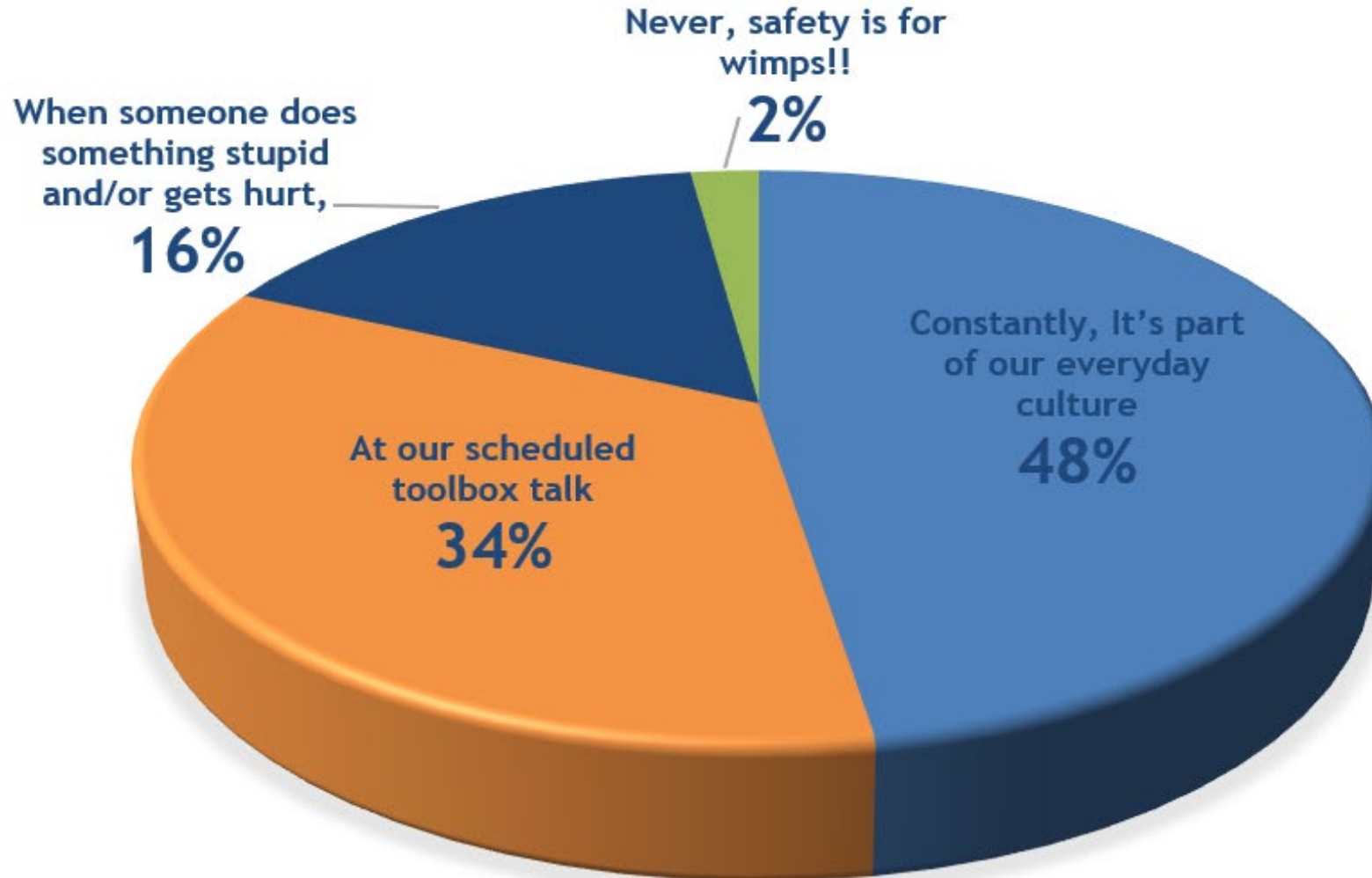
SCAN ME

- Constantly, It's part of our everyday culture
- At our scheduled toolbox talk
- When someone does something stupid and/or gets hurt
- Never, safety is for wimps!!



2023 POLL RESULTS

I discuss safety on the job site...





3 SIMPLE STEPS TO ROSI

NOW YOU KNOW HOW TO:

1. Find ROSI

Calculate your Safety Budget

2. BUY HER WHAT SHE NEEDS

Acquire Safety Assets

3. GET HER BEST WORK

Culture of Consistent Communication



PREVENTION AND SAFETY PRINCIPLES

Fund It



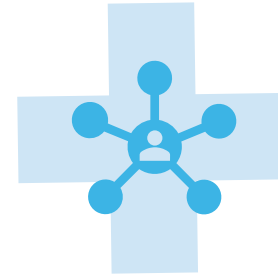
SAFETY BUDGET

Build It



ACQUIRE SAFETY
ASSETS

Share It

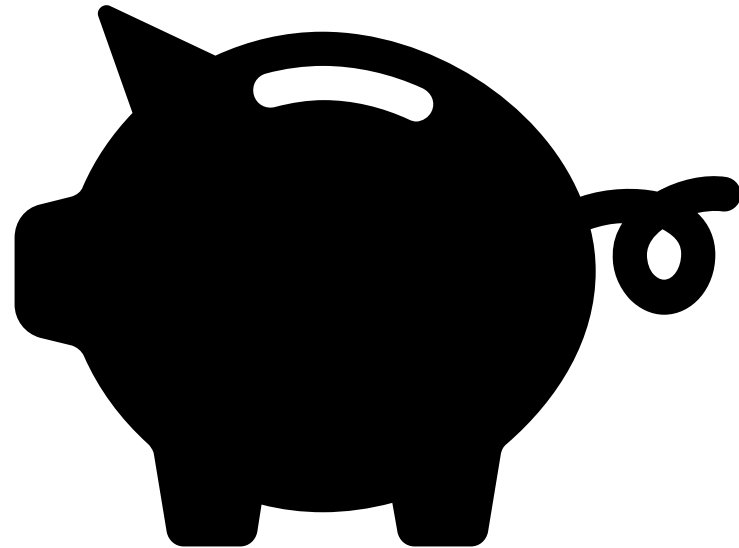


CONSISTENT
COMMUNICATION



EXTRA SIMPLE BUT VITAL STEP

FUND THE SAFETY BUDGET!!!



THANK YOU!



**INTEGRATED
COMPANIES**



**CONTRACTORS SCHOOL
LICENSING SPECIALISTS**

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